agreed upon by RBI and SBP keeping in view their respective regulatory policies and procedures. RBI has received request from three Indian banks *i.e.* State Bank of India (SBI), Bank of India (BOI) and Punjab National Bank to open their branches in Pakistan. Habib Bank Ltd., National Bank of Pakistan and United Bank Ltd. from Pakistan have evinced interest in opening their branches in India. In the meeting of Governor, RBI with the Governor of State Bank of Pakistan held on 26.09.2006, it was agreed that the licences to the banks for opening of their branches in each other's country would be given on reciprocal and simultaneous basis.

Increase in Rate of Interest on Home Loans

1387. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the RBI has reportedly been increasing the rate of interest gradually for home loans and other loans for the last three years;

(b) if so, how many times and at what rate the RBI has increased the rate of interest, year-wise; and

(c) whether Government are aware that this increase may have worst impact on the growth of industry and other on going infrastructure development projects in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No Sir. The Reserve Bank of India (RBI) has deregulated interest rates on advances above Rs. 2 lakhs w.e.f. October 18, 1994. Individual Banks are free to charge interest without reference to their Benchmark Prime Lending Rate (BPLR) and regardless of the size in respect of consumer loans and non priority sector personal loans including home loans. Banks also have the freedom to offer all categories of loans on floating rates by using market benchmarks in a transparent manner. Further in keeping with the need to continue with concessionality for small borrowers, at present loans upto Rs. 2 lakhs carry the prescription of not exceeding BPLR which is determined by banks taking into account (i) actual cost of funds, (ii) operating expenses, and (iii) a minimum margin to cover regulatory requirement of provisioning/capital charge and profit margin with the approval of their Boards.

(b) Does not arise.

(c) The RBI in its mid-term review of annual policy statement for the year 2006-07 has indicated that the overall stance of monetary policy will be to ensure a monetary and interest rate environment that supports export and investment demand in the economy so as to enable continuation of the growth momentum while ensuring price stability. As such the impact of vitiation in interest rates is likely to be nominal in different sectors of the economy.

Casual approach towards RTI applications by IT Department

1388. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that officers concerned of Directorate of Income Tax (Inv.)-I, Jhandewalan Extension, New Delhi are suffering from a sense of complacency and have developed a casual approach in responding to the RTI applications filed by applicants on 15th July, 2006 with the concerned CPIO i.e. Director, Department of Revenue, New Delhi;

(b) whether the matter as a whole has been put in the cold storage after a preliminary inquiry; and

(c) if so, what are the details of investigations which have been put on records and what are the other facts which are under investigation and what is the time-schedule to put whole of the matter on records?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The RTI applications received in the Directorate of Income Tax (Investigation)-I, New Delhi are dealt within the time frame specified in Section 7(1) of the RTI Act. The Directorate had received a petition dated 15.7.2006 under the RTI Act, 2005 which was duly replied to on 14th August, 2006. Accordingly, there was no delay in responding to the petition.

(b) No, Sir. The Directorate has completed the enquiries in respect of the petition, and sent its report to the jurisdictional Assessing Officer.

(c) Not applicable, in view of reply to (b) above.